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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended February 29, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

PROCESSED BY
APR 20 1992

Commission file number 0-10095

Autoclave Engineers, Inc.
(Exact name of registrant as specified in its charter)

Pennsylvania	25-0941759
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2901 West 22nd Street, Erie, Pennsylvania	16506
(Address of principal executive offices)	(Zip Code)

(814) 838-5700
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ___

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

The number of shares of common stock, $.15 par value, outstanding as of March 31, 1992 was 4,181,802.

AUTOCLAVE ENGINEERS, INC. AND SUBSIDIARIES

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AUTOCLAVE ENGINEERS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

February 29, 1992 and May 31, 1991
(amounts in thousands)
(unaudited)

	02/29/92	05/31/91
ASSETS:		
Current Assets:		
Cash and cash equivalents	$ 2,237	$ 3,245
Short-term investments, at cost	950	1,765
Accounts and notes receivable	20,293	20,663
Inventories	12,793	11,888
Deferred income taxes	877	1,673
Prepaid expenses and other	2,697	2,643
Total current assets	39,847	41,277
Property, plant and equipment, at cost:		
Land and land improvements	440	440
Buildings and improvements	7,843	7,811
Machinery and equipment	22,990	21,074
	31,273	29,325
Accumulated depreciation and amortization	(17,961)	(16,060)
	13,312	13,265
Construction in progress	352	--
	13,664	13,265
Investment in equity interests	680	596
Goodwill, net of amortization of $1,075 and $961, respectively	4,985	5,099
Other assets	878	1,235
	$60,054	$61,472

See accompanying notes to consolidated financial statements.

AUTOCLAVE ENGINEERS, INC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

February 29, 1992 and May 31, 1991
(amounts in thousands, except share data)
(unaudited)

LIABILITIES AND SHAREHOLDERS' EQUITY	02/29/92	05/31/91
Current liabilities:		
Bank lines of credit	$ 200	$ --
Accounts payable	7,203	7,767
Accrued salaries, wages and benefits	3,204	2,944
Other accrued expenses	2,657	3,709
Income taxes	311	432
Current installments on term debt	767	1,035
Other current liabilities	255	1,047
Total current liabilities	14,597	16,934
Term debt	3,368	3,623
Deferred income taxes	667	812
Other long-term liabilities and deferred credits	1,105	1,146
Total liabilities and deferred credits	19,737	22,515
Excess of net assets acquired over cost	1,935	1,782
Shareholders' equity:		
Common stock, $.15 par value; authorized shares: 12,000,000; issued shares: 4,416,193	662	662
Additional paid-in capital	19,953	19,946
Retained earnings	15,558	15,429
Foreign currency translation adjustment	2,877	1,813
	39,050	37,850
Less treasury stock, at cost: 234,391 shares and 237,476 shares, respectively	(668)	(675)
Total shareholders' equity	38,382	37,175
	$60,054	$61,472

See accompanying notes to consolidated financial statements.

AUTOCLAVE ENGINEERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
for the three months and nine months ended
February 29, 1992 and February 28, 1991

(amounts in thousands, except share data)
(unaudited)

	Three Months Ended		Nine Months Ended	
	02/29/92	02/28/91	02/29/92	02/28/91
Net sales	$21,373	$19,464	$58,329	$56,190
Cost of goods sold and operating expenses	14,516	12,712	38,323	36,654
Gross margin	6,857	6,752	20,006	19,536
Selling and administration	6,015	6,752	17,411	18,854
Research & development	374	584	1,277	1,850
Operating income(loss)	468	(584)	1,318	(1,168)
Interest income	48	123	240	436
Interest expense	(89)	(131)	(313)	(411)
Other income, net	12	156	110	330
Income(loss) before income taxes and equity income	439	(436)	1,355	(813)
Provision for(benefit from) income taxes	126	(179)	567	(409)
Income(loss) before equity income	313	(257)	788	(404)
Equity income	38	65	94	80
Net income(loss)	$ 351	$ (192)	$ 882	$ (324)
Net income(loss) per share	$ .08	$ (.05)	$ .21	$ (.08)
Average shares used in computing earnings per share	4,239,807	4,206,184	4,233,276	4,249,461

See accompanying notes to consolidated financial statements.

AUTOCLAVE ENGINEERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
for the nine months ended
February 29, 1992 and February 28, 1991
(amounts in thousands)
(unaudited)

	Nine Months Ended	
	2/29/92	2/28/91
Cash Flows from Operating Activities:		
Net Income (loss)	$ 882	$ (324)
Adjustments to reconcile net income to net cash provided from operating activities:		
Depreciation and amortization	2,248	2,019
Deferred income taxes	140	81
Equity in affiliates	(94)	(80)
Changes in assets & liabilities:		
Accounts receivable	1,573	4,360
Inventories	(626)	(2,194)
Prepaids and other assets	84	363
Accounts payable and accrued liabilities	(2,517)	(2,056)
Income taxes	221	(1,139)
Other current liabilities	(868)	(254)
Change in other long-term liabilities	75	69
Other	104	(203)
Net cash provided from (used in) operating activities	1,222	642
Cash Flows from Investing Activities:		
Capital expenditures	(2,399)	(4,215)
Proceeds from Sale of Property, Plant & Equip.	522	--
Change in short-term investments	822	1,754
Other	(36)	(77)
Net cash provided from (used in) investing activities	(1,091)	(2,538)
Cash Flows from Financing Activities		
Payments on long-term debt	(321)	(2,138)
Proceeds from issuance of long-term debt	--	1,497
Proceeds from issuance of common stock	15	43
Change in short-term debt, net	(82)	855
Cash dividends paid	(753)	(757)
Other	(88)	--
Net cash provided from (used in) financing activities	(1,229)	(500)
Effect of Exchange Rate Changes	90	429
Net increase (decrease) in cash and cash equivalents	(1,008)	(1,967)
Cash and cash equivalents at beginning of year	3,245	6,875
Cash and cash equivalents at end of year	$2,237	$4,908

See accompanying notes to consolidated financial statements.

AUTOCLAVE ENGINEERS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(amounts in thousands, except share data)

1. Significant Accounting Policies

The financial information furnished herein is unaudited but includes all adjustments which management of the Corporation considers normal, recurring and necessary to fairly present the Corporation's financial position, results of operations, and cash flows for the periods indicated. This report should be read in conjunction with the Corporation's financial statements as reported in its Form 10-K for the fiscal year ended May 31, 1991.

Reclassifications - Certain prior year amounts have been reclassified to conform to the presentation in the current financial statements.

2. Inventories

Inventories at February 29, 1992 and May 31, 1991 consisted of the following:

	Feb. 29, 1992	May 31, 1991
Raw materials	$ 3,946	$ 3,274
Work in process	4,586	4,283
Finished goods	5,099	4,819
	13,631	12,376
Less advance payments	838	488
Total inventories	$12,793	$11,888

AUTOCLAVE ENGINEERS, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATION
(amounts in thousands, except share data)

Discussion included herein relates to the results of operations of the Corporation and the performance of its three operating groups -- the Autoclave Engineers Group of companies ("AEG"); Unit Instruments, Inc. and its subsidiaries ("Unit"); and Burton Corblin S.A. ("BCSA") and Burton Corblin North America, Inc. ("BCNA") (combined "Burton Corblin").

The fiscal quarters of Burton Corblin end two months earlier than the rest of the Corporation's operations. The Consolidated Balance Sheet at February 29, 1992 and May 31, 1991 and the Consolidated Statements of Income and Cash Flows for the three-month and nine-month periods ended February 29, 1992 and February 28, 1991 include the accounts of Burton Corblin at December 31, 1991 and March 31, 1991 and the results of its operations for the three-month and nine-month periods ended December 31, 1991 and 1990.

RESULTS OF OPERATIONS

Net Sales: Included in net sales for the three months and nine months ended February 29, 1992 and February 28, 1991 are the following sales by operating group:

	Three Months Ended		Nine Months Ended	
	02/29/92	02/28/91	02/29/92	02/28/91
AEG	$ 8,830	$ 7,819	$25,489	$24,804
Unit	4,503	6,302	15,627	16,987
Burton Corblin	8,040	5,343	17,213	14,399
Consolidated Net Sales	$21,373	$19,464	$58,329	$56,190

Net sales at AEG increased approximately 13% in the third quarter and 3% in the first nine months of fiscal 1992 from the corresponding periods in the prior year. The increased sales for the third quarter was due principally to a higher volume of pressure vessel and fluid component sales. These products and a few large system sales attributed to the increase in net sales for the first nine months.

At Unit, net sales decreased 29% in the third quarter and 8% for the nine month period when compared to the prior year due to lower sales in the United States caused by a weak demand in the semiconductor equipment market.

Burton Corblin's net sales for the third quarter and first nine months of fiscal 1992 increased 50% and 20%, respectively, when compared to the prior year. These increases arose from a larger volume of compressor systems shipped and a 15% increase in spare parts shipments. The fluctuation in sales dollars was more a function of the timing of orders for delivery rather than an indication of a market trend.

Cost of Goods Sold and Operating Expense

These costs as a percentage of consolidated net sales increased to 67.9% in the third quarter of fiscal 1992 from 65.3% in the prior year and increased from 65.2% to 65.7% for the first nine months of fiscal 1992.

At AEG, this percentage increased from 62.4% to 68.5% in the third quarter and from 64.5% to 65.1% for the nine-month period. The increase in the third quarter was due to a shift in the product mix including the sale of low pressure vessels at higher product costs and the termination of the CDS Instruments product line at the end of fiscal 1991 which had sales in 1991 at a low product cost.

Unit's percentage increased approximately two points for both the third quarter and first nine months of fiscal 1992 over the comparable periods of the prior year. These increases were primarily volume related due to the absorption of fixed costs over lower sales volume.

Burton Corblin's percentage improved from 76.6% in the third quarter of 1991 to 69.1% in 1992. For the first nine months of fiscal 1992, the percentage improved to 70.8% from 73.9% in 1991. The third quarter improvement resulted from a combination of better pricing of piston compressors and the absorption of fixed overhead over a higher volume of net sales.

Selling and Administration Expenses

These costs declined $737 in the third quarter and $1,443 for the nine months on a consolidated basis from the comparable periods in the prior year.

AEG decreased these costs $1,345 for the nine-month period due to the elimination of expenses related to the CDS product line ($818) and reductions in selling expenses.

At Unit Instruments these costs decreased $297 in the third quarter from the same period in the prior year due to cost reduction initiatives made to counteract the reduced sales volume and lower commissions on that volume. These costs decreased $157 for the nine-month period due to the cost reductions in the third quarter offset partially by costs incurred with the move to a new facility in November 1991.

At Burton Corblin, these expenses decreased $173 in the third quarter due to staff reductions in 1992. For the nine-month period, these expenses increased slightly due to the operation of BCNA during the entire first nine months of fiscal 1992.

Research and Development

These costs decreased $207 and $572 on a consolidated basis for the third quarter and first nine months of fiscal 1992, respectively, over the comparable periods of the prior year.

At AEG, these costs decreased $277 for the nine-month period due to a reduction in new product development and a reduction in funding to the Fred Gasche Lab.

Unit's spending was decreased $185 in the first nine months of fiscal 1992 due to project reductions made at the end of the second quarter of fiscal 1992.

Furton Corblin's expenses decreased $111 for the nine-month period when compared to the prior year. This arose due to the savings generated by not replacing employees in France offset partially by the costs of BCNA.

Interest Income

Lower interest rates and the decrease of investable funds caused the decrease in interest income.

Interest Expense

The decrease in interest expense in the first nine months of 1992 was due to lower interest rates on the Corporation's debt and normal debt retirement. During fiscal 1991, the Corporation exercised an option to accelerate the repayment of $1.6 million of long-term debt. The interest cost savings resulting from this transaction was partially offset by a lower interest cost incurred on a new $1.3 million tax-exempt bond issued in 1991 at variable rates used to finance expansion at the Corporation's facility in Princeton, Kentucky.

Other Income and Expense

Other income and expense decreased due to lower foreign exchange gains arising from the Japanese Yen in fiscal 1992 than in 1991.

Provision for Income Taxes

The effective tax rate [the provision for (benefit from) income taxes as a percentage of pre-tax income (loss)] was 28.7% and 41.8% for the third quarter and year-to-date periods of fiscal 1992 when compared to (41.2%) and (50.4%) for the same periods in the prior year. The effective rates are affected by the different levels of profitability or loss of the various operating locations and the statutory tax rates for each country or state.

Equity Income

This item represents the Corporation's 50% share of income realized by its joint venture, ABB Autoclave Systems, Inc.

LIQUIDITY AND CAPITAL RESOURCES

The financial condition of the corporation at February 29, 1992 remained strong. Working capital was $25,250 and $24,343 at February 29, 1992 and May 31, 1991, respectively, while the working capital ratio was 2.7 to 1 and 2.4 to 1 at those respective dates.

At February 29, 1992, unused bank lines of credit totalling $8,250,000 are available to the Corporation, of which $250,000 is specifically in support of any foreign exchange contracts entered into by the Corporation with one of the bank's affiliates. These lines of credit provide external funds for short-term financing.

The Corporation believes it has sufficient resources to meet all anticipated short-term capital requirements. The ratio of total liabilities to tangible net worth (i.e. shareholders' equity less goodwill, plus the excess of assets acquired over cost) was .56 to 1 at February 29, 1992 compared to .66 to 1 at May 29, 1992.

The Corporation was not committed to any significant plant or equipment contracts at February 29, 1992.

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AUTOCLAVE ENGINEERS, INC. AND SUBSIDIARIES

PART II. OTHER INFORMATION

Sequential Page No. 14

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibit 11 Computation of Earnings Per Share

(b) Reports on Form 8-K - On March 16, 1992 the Company filed a report on Form 8-K reporting Item 4 "Changes in Registrant's Certifying Accountants". The Board of Directors approved the engagement of the accounting firm of Price Waterhouse and the termination of the firm of Coopers and Lybrand. There were no disagreements between the Corporation and Coopers and Lybrand on any matter of accounting principles or practices, financial statement disclosure, auditing scope or procedure, nor any reportable event during the two most recent fiscal years ended May 31, 1991 or in the interim periods subsequent to May 31, 1991.

AUTOCLAVE ENGINEERS, INC. AND SUBSIDIARIES

SIGNATURES

Pursuant to the requirement of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Autoclave Engineers, Inc.
Registrant

Date: April 14, 1992

James C. Levinson
President and Chief Executive Officer

Date: April 14, 1992

Thomas C. Guelcher
Chief Financial Officer

EXHIBIT 11.1

COMPUTATION OF EARNINGS PER SHARE

	Three Months Ended		Nine Months Ended	
	02/29/92	02/28/91	02/29/92	02/28/91
NET INCOME (LOSS)	$ 351,000	$ (192,000)	$ 882,000	$ (324,000)
Earnings Per Share - Primary				
Weighted average number of shares outstanding	4,181,802	4,178,717	4,181,163	4,177,322
Common share equivalents assuming exercise of stock options	58,005	27,467	52,113	72,139
Average shares used in computing earnings per share	4,239,807	4,206,184	4,233,276	4,249,461
Net income (loss) per share	$ .08	$ (.05)	$ .21	$ (.08)
Earnings Per Share - Fully Diluted				
Weighted average number of shares outstanding	4,181,802	4,178,717	4,181,163	4,177,322
Common share equivalents assuming exercise of stock options	93,128	38,770	63,877	75,943
Average shares used in computing earnings per share	4,274,930	4,217,487	4,245,040	4,253,265
Net income (loss) per share	$ .08	$ (.05)	$ .21	$ (.08)